

A&M Capital Advisors Europe, LLP

Report And Financial Statements

31 December 2020



Rees Pollock
Chartered Accountants

A&M Capital Advisors Europe, LLP

INFORMATION

Designated Members M Kelly
A&M Capital Advisors Europe Holdings Limited

Members J Ogland
S Spink

LLP registered number OC419571

Registered office 6 Grosvenor Street
London
W1K 4PZ

Independent auditors Rees Pollock
16 Great Queen Street
London
WC2B 5AH

MEMBERS' REPORT

For the Year Ended 31 December 2020

The members present their annual report together with the audited financial statements of A&M Capital Advisors Europe, LLP (the "LLP") for the year ended 31 December 2020.

Principal activities

The principal activity of the LLP is the provision of investment advisory services. The firm is authorised and regulated by the Financial Conduct Authority ('FCA').

Designated Members

M Kelly and A&M Capital Advisors Europe Holdings Limited were designated members of the LLP throughout the period.

Members

J Ogland and S Spink were members of the LLP throughout the period. Subsequent to the year-end date, S Spink ceased to be an active member of the LLP. S Spink will continue to be listed as a member of the LLP until 30 June 2021, at which date he will cease to be a member.

Members' capital and interests

Members share profits and losses in accordance with agreed profit sharing agreements.

Members' capital and drawings are determined by the regulatory capital requirements of the FCA and any trading needs of the LLP. Members' capital is not repayable except where allowed under FCA rules.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEMBERS' REPORT (CONTINUED)
For the Year Ended 31 December 2020

Disclosure of information to auditors

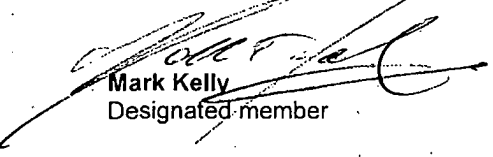
Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditors

The auditors, Rees Pollock, have indicated their willingness to continue in office.

This report was approved by the members on 26/04/21 and signed on their behalf by:


Mark Kelly
Designated member

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
A&M CAPITAL ADVISORS EUROPE, LLP**

Opinion

We have audited the financial statements of A&M Capital Advisors Europe, LLP (the 'LLP') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Reconciliation of members' interests, the Statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
A&M CAPITAL ADVISORS EUROPE, LLP (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' responsibilities statement set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and noncompliance with laws and regulations, our procedures involved the following: enquiring of management concerning the LLP's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the LLP's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the LLP's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the LLP operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the LLP. The key laws and regulations we considered in this context included the UK Companies Act 2006, as applied to limited liability partnerships, the Financial Services and Markets Act 2000 and applicable tax legislation.

One particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the LLP for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
A&M CAPITAL ADVISORS EUROPE, LLP (CONTINUED)**

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The LLP was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the LLP and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the LLP.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the designated members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Vipond (Senior statutory auditor)

for and on behalf of

Rees Pollock

Chartered Accountants
Statutory Auditor

16 Great Queen Street
London
WC2B 5AH

27 April 2021

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	8,985,841	16,729,634
Administrative expenses		(5,198,893)	(7,521,416)
Operating profit/(loss)	4	3,786,948	9,208,218
Interest payable and expenses		(96,434)	(352,570)
Profit before tax		3,690,514	8,855,648
Profit for the year before members' remuneration and profit shares		3,690,514	8,855,648
Members' remuneration charged as an expense		(1,278,000)	(1,288,007)
Profit for the financial year available for discretionary division among members		2,412,514	7,567,641

There was no other comprehensive income for 2020 or 2019.

The notes on pages 10 to 15 form part of these financial statements.

BALANCE SHEET
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	1,217,796	1,571,857
Current assets			
Debtors: amounts falling due within one year	8	2,207,512	2,690,863
Cash at bank and in hand		204,936	977,591
		<u>2,412,448</u>	<u>3,668,454</u>
Creditors: Amounts Falling Due Within One Year	9	(434,849)	(2,044,916)
Net current assets		<u>1,977,599</u>	<u>1,623,538</u>
Net assets attributable to members		<u><u>3,195,395</u></u>	<u><u>3,195,395</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts		195,395	195,395
Members' other interests			
Members' capital classified as equity		3,000,000	3,000,000
		<u>3,195,395</u>	<u>3,195,395</u>
Total members' interests			
Loans and other debts due to members		195,395	195,395
Members' other interests		3,000,000	3,000,000
		<u>3,195,395</u>	<u>3,195,395</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 26/04/21


Mark Kelly
Designated member

The notes on pages 10 to 15 form part of these financial statements.

RECONCILIATION OF MEMBERS' INTERESTS
For the Year Ended 31 December 2020

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due from members				(4,980,211)	(4,980,211)	
Balance at 1 January 2019	3,000,000	-	3,000,000	(4,980,211)	(4,980,211)	(1,980,211)
Members' remuneration charged as an expense	-	-	-	1,288,007	1,288,007	1,288,007
Profit for the year available for discretionary division among members	-	7,567,641	7,567,641	-	-	7,567,641
Members' interests after loss for the period	3,000,000	7,567,641	10,567,641	(3,692,204)	(3,692,204)	6,875,437
Other division of profits	-	(7,567,641)	(7,567,641)	7,567,641	7,567,641	-
Amounts introduced by members	-	-	-	195,395	195,395	195,395
Drawings	-	-	-	(3,875,437)	(3,875,437)	(3,875,437)
Amounts due to members				195,395	195,395	
Balance at 31 December 2019	3,000,000	-	3,000,000	195,395	195,395	3,195,395
Members' remuneration charged as an expense	-	-	-	1,278,000	1,278,000	1,278,000
Profit for the year available for discretionary division among members	-	2,412,514	2,412,514	-	-	2,412,514
Members' interests after profit for the year	3,000,000	2,412,514	5,412,514	1,473,395	1,473,395	6,885,909
Other division of profits	-	(2,412,514)	(2,412,514)	2,412,514	2,412,514	-
Drawings	-	-	-	(3,690,514)	(3,690,514)	(3,690,514)
Amounts due to members				195,395	195,395	
Balance at 31 December 2020	3,000,000	-	3,000,000	195,395	195,395	3,195,395

The notes on pages 10 to 15 form part of these financial statements.

The ability of the members of the LLP to reduce the amount of members' other interests is restricted by the regulatory requirements of the FCA.

STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	2,412,514	7,567,641
Adjustments for:		
Members' remuneration charged as an expense	1,278,000	1,288,007
Depreciation of tangible assets	394,612	328,994
Interest paid	96,434	352,570
Decrease in debtors	2,214,308	92,138
(Decrease)/increase in creditors	(593,560)	149,222
(Decrease) in amounts owed to groups	(2,747,464)	(3,807,330)
Net cash generated from operating activities before transactions with members	<u>3,054,844</u>	<u>5,971,242</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(40,551)	(1,239,118)
Net cash from investing activities	<u>(40,551)</u>	<u>(1,239,118)</u>
Cash flows from financing activities		
Interest paid	(96,434)	(352,570)
Amounts introduced by members	-	195,395
Drawings paid to members	(3,690,514)	(3,875,437)
Net cash used in financing activities	<u>(3,786,948)</u>	<u>(4,032,612)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(772,655)</u>	<u>699,512</u>
Cash and cash equivalents at beginning of year	977,591	278,079
Cash and cash equivalents at the end of year	<u><u>204,936</u></u>	<u><u>977,591</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	204,936	977,591
	<u><u>204,936</u></u>	<u><u>977,591</u></u>

The notes on pages 10 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

1. General information

A&M Capital Advisors Europe, LLP is a limited liability partnership incorporated in the UK. The LLP's registered address is 6 Grosvenor Street, London, W1K 4PZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Management do not consider there to be any significant accounting estimates or any material judgemental areas in applying the accounting policies.

2.2 Going concern

The LLP has entered into a sub-advisory agreement with A&M Capital Advisors, LP, pursuant to which funding is provided to ensure the continued operation of the business for the foreseeable future.

2.3 Turnover

Turnover comprises revenue recognised by the LLP in respect of services supplied during the period.

2.4 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Pensions

Defined contribution pension plan

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 years
Leasehold improvements	- 5 years

2.7 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

2.8 Financial instruments

The LLP does not trade in financial instruments and all such instruments arise directly from operations.

All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The LLP does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The LLP's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction they are only derecognised when they are extinguished.

As the LLP only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.9 Tax provisions

The tax payable on profits is the personal liability of the members.

3. Turnover

The whole of the turnover is attributable to the principal activity of the LLP.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	394,612	328,994
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	20,000	20,000
Exchange differences	15,249	206,258
Other operating lease rentals	407,411	407,441
	<u> </u>	<u> </u>

5. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	2,513,386	2,991,470
Social security costs	293,620	413,073
Pension costs	48,584	-
	<u> </u>	<u> </u>
	2,855,590	3,404,543
	<u> </u>	<u> </u>

The average monthly number of persons employed during the year was as follows:

	2020 No.	2019 No.
Employees	14	15
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020
6. Information in relation to members

	2020 Number	2019 Number
The average number of members during the year was	4	4
	2020 £	2019 £
Paid under employment contract	-	734,494
Paid under the terms of the LLP agreement	1,278,000	553,513
	1,278,000	1,288,007
The amount of profit attributable to the member with the largest entitlement was	1,353,533	1,415,964

7. Tangible fixed assets

	Fixtures and fittings £	Leasehold improvements £	Total £
Cost			
At 1 January 2020	508,953	1,439,165	1,948,118
Additions	3,534	37,017	40,551
At 31 December 2020	512,487	1,476,182	1,988,669
Depreciation			
At 1 January 2020	110,803	265,458	376,261
Charge for the year	102,144	292,468	394,612
At 31 December 2020	212,947	557,926	770,873
Net book value			
At 31 December 2020	299,540	918,256	1,217,796
At 31 December 2019	398,150	1,173,707	1,571,857

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020
8. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	1,741,353	-
Other debtors	351,133	698,422
Prepayments and accrued income	115,026	1,992,441
	<u>2,207,512</u>	<u>2,690,863</u>

Included within other debtors is £299,845 (2019: £299,845) due in more than one year.

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	60,000	5,555
Amounts owed to group undertakings	-	1,012,789
Accruals and deferred income	374,849	1,026,572
	<u>434,849</u>	<u>2,044,916</u>

10. Analysis of Net Debt

	At 1 January 2020 £	Arising from cash flows £	At 31 December 2020 £
Cash at bank and in hand	977,591	(772,655)	204,936
Net debt (before members' debt)	<u>977,591</u>	<u>(772,655)</u>	<u>204,936</u>
<i>Loans and other debts due to members</i>			
Other amounts due to members	(195,395)	-	(195,395)
	<u>782,196</u>	<u>(772,655)</u>	<u>9,541</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

11. Commitments under operating leases

At 31 December 2020 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	498,908	390,925
Later than 1 year and not later than 5 years	800,985	1,299,893
	<u>1,299,893</u>	<u>1,690,818</u>

12. Related party transactions

The LLP's entire turnover is derived from the provision of services to A&M Capital Advisors, LP. This entity is the parent company of A&M Capital Advisors Europe Holdings Limited, a designated member of the LLP.

At the year end an amount of £1,734,675 was owed by (2019: £1,012,789 owed to) related parties.

13. Controlling party

In the opinion of the designated members there is no controlling party.